7/21/87 A2500-2

# Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 6 JUNE 1987

## PAPER AND PAPERBOARD PRODUCTION: MAINTAINING MOMENTUM

The paper industry maintained the momentum evident during the past eighteen months, with the April-May 1987 production rate averaging 72.8 million tons per year. The five-month 1987 production rate averaged 72.6 million tons per year, 4.7% above the corresponding 1986 total and 2.5% above total 1986 output.

The strength in production was distributed throughout the industry, with paper production up 2.9%; paperboard up 6.4%; total wood pulp, 4.5% and market pulp, about 7%. All these 1987 rates represented record-high levels of operation.

These high production rates generally reflected the strength of total economic activity and the relatively high rates of demand for these products within their various markets. In addition, inventories of paper and paperboard production held by users are largely in line with current consumption rates, so that production rates are now matching consumption requirements.

A major measure of economic activity -- the real gross national product (Real GNP) -- gained about 2.3% from the first quarter of 1986 to the first quarter of 1987. Total industrial production in the first five months of this year was about 1.9% over its year-ago rate, with total non-durable goods up by more than 4.5% and consumer goods -- another demand measure that overlaps, to some degree, non-durable goods -- up 3%. A promise of continued strength is evident in the trends of the leading indicators, an index published by the Department of Commerce that attempts to predict the future direction of the economy.

Imports and Exports: All above measures are indicators of the requirements of paper and paperboard products, whether they come from domestic or foreign sources. The data on paper and allied products shown on page 9 indicate that so far this year imports have shown somewhat stronger growth than exports.

Total imports of paper and paperboard in the first four months of 1987 rose 11.5% from their comparable year-ago level, while exports rose 6.8%. An important part of the gain can be traced to imports of

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uncoated groundwood papers, where a 34% gain -- to 1.20 million tons per year -- was recorded. Newsprint imports gained 7%. Both these grades traditionally draw on non-U.S. sources.

Total imports of paper and paperboard were at an annual rate of 12.0 million tons, with imports of groundwood papers and newsprint accounting for 85% of the total. Imports of the remaining grades were at the rate of 1.47 million tons per year, up 25 % from their year-ago level. This increase reflected a 34% gain in imports of coated papers to a record high of 591,000 tons per year, a 91% gain in imports of unbleached kraft papers to 170,000 tons per year, and a 52% gain in imports of paperboard to 390,000 tons per year. For the most part, domestic production of these grades also showed strong growth; the larger percentage increases of imports reflect the relatively small tonnages involved.

Paper Production: The rate of production of paper in April-May 1987 period averaged 35.9 million tons per year, bringing the five month rate to 35.8 million tons-per-year level, 2.9% above the comparable year-ago rate. These levels compare well with the 1986 record high of 35.4 million tons.

The major gains were recorded in the printing-writing grades, up 4.5% over their comparable 1986 level. Within this sector, coated paper shipments rose 9.0%; uncoated free sheet papers were up 3.0%. Most of the gain in coated paper shipments can be traced to major increases in the use of all types of coated papers by commercial printers. More modest gains were noted in shipments of these papers to book publishers, while shipments to the other major coated paper users were only slightly above their year-earlier totals.

The large gain noted in shipments of printing-writing papers to commercial printers also accounted for much of the increase in shipments of uncoated free sheet papers. Bond papers, used largely in office copiers, also increased markedly, while form bond, which includes the important computer printout papers, showed only a small increase.

Total shipments of unbleached kraft papers in the first five months of 1987 trailed their year-ago total by 6.6%. On the positive side, shipments of unbleached multiwall sack papers were up sharply during the first five months of 1987, following several years of nearly steady decline. The displacement of kraft papers by plastics could slow down during the next year or so; North American polyethylene resin capacity has become exceedingly tight, and resin prices are rising. On the minus side, imports of plastic bags continue their growth.

Continued on Page 11

# PAPER AND PAPERBOARD STATISTICS

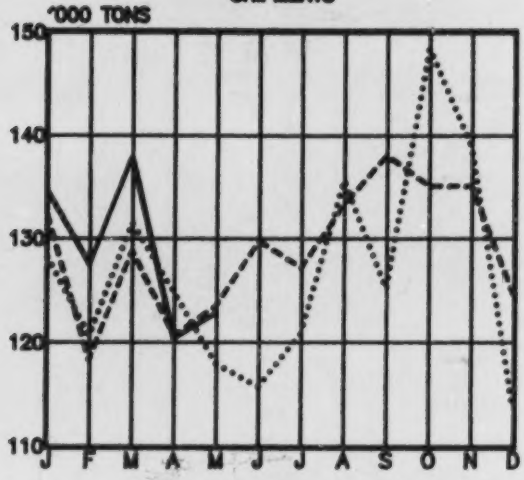
## PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

| | YEAR 1985 | YEAR 1986 | FEB 1987 (R) | MAR 1987 (R) | APRIL 1987 (R) | MAY 1987 (P) | Annual Rate Y-T-D 1987 | % Change From same Period Last Year |
|---|---|---|---|---|---|---|---|---|
| **PAPER** | | | | | | | | |
| Newsprint - Production | 5,428 | 5,630 | 441 | 475 | 462 | 500 | 5,685 | 1.7 |
| - Shipments | 5,431 | 5,638 | 443 | 487 | 472 | 499 | 5,691 | 3.8 |
| Printing & Writing Sum (R) | 18,423 | 19,601 | 1,604 | 1,722 | 1,679 | 1,684 | 20,113 | 4.5 |
| Groundwood Paper - Shipments (R) | 1,521 | 1,540 | 127 | 138 | 120 | 123 | 1,543 | 2.3 |
| - New Orders (R) | 1,477 | 1,553 | 110 | 154 | 109 | 121 | 1,518 | 0.8 |
| -Unfilled Orders (R) | 106 | 124 | 108 | 127 | 116 | 113 | 113 | 2.2 |
| Coated Papers - Shipments (R) | 5,875 | 6,263 | 529 | 548 | 545 | 554 | 6,585 | 9.0 |
| - New Orders (R) | 5,642 | 6,334 | 524 | 527 | 559 | 630 | 6,704 | 9.4 |
| - Unfilled Orders (R) | 393 | 469 | 454 | 429 | 443 | 521 | 521 | 18.3 |
| Unctd Free Sheet - Shipments (R) | 9,690 | 10,410 | 835 | 919 | 896 | 891 | 10,598 | 3.0 |
| - New Orders (R) | 9,704 | 10,485 | 844 | 900 | 882 | 903 | 10,503 | 0.4 |
| - Unfilled Orders (R) | 509 | 587 | 568 | 544 | 533 | 551 | 551 | -8.4 |
| Thin Papers - Shipments | 262 | 247 | 20 | 20 | 20 | 19 | 238 | -7.5 |
| Cotton Fiber Paper - Shipments | 144 | 152 | 13 | 15 | 14 | 13 | 163 | 4.8 |
| Bleached Bristols - Production | 930 | 990 | 79 | 83 | 83 | 86 | 986 | -0.1 |
| Tissue Paper - Production | 4,941 | 5,095 | 414 | 446 | 429 | 441 | 5,205 | 1.6 |
| Total Packaging & Other Paper | 5,204 | 5,117 | 415 | 445 | 424 | 398 | 5,137 | -0.5 |
| Unbl. Kraft Paper - Shipments | 3,403 | 3,303 | 260 | 274 | 265 | 235 | 3,153 | -6.6 |
| Other Paper - Production | 1,801 | 1,814 | 156 | 171 | 159 | 163 | 1,985 | 11.1 |
| **TOTAL PAPER-Production-Unadj.** | 33,996 | 35,443 | 2,874 | 3,088 | 2,994 | 3,024 | 36,140 | 2.9 |
| -Production-S.A. | | | 2,993 | 2,925 | 3,000 | 2,977 | 35,792 | 3.0 |
| **PAPERBOARD PRODUCTION** | | | | | | | | |
| Solid Wood Pulp Furnish | 25,404 | 27,336 | 2,206 | 2,440 | 2,320 | 2,459 | 28,402 | 5.4 |
| Total Unbl. Kraft Paperboard | 16,368 | 17,689 | 1,424 | 1,559 | 1,492 | 1,623 | 18,347 | 5.6 |
| Unbl. Kraft Linerboard (1) | 15,183 | 16,402 | 1,324 | 1,426 | 1,381 | 1,510 | 17,020 | 5.9 |
| Production for Export | 1,830 | 2,246 | 179 | 177 | 184 | 190 | 2,198 | -0.2 |
| Other Unbl. Kraft Paperboard | 1,184 | 1,287 | 100 | 133 | 111 | 113 | 1,327 | 2.2 |
| Semichemical Paperboard | 5,088 | 5,376 | 439 | 491 | 463 | 463 | 5,607 | 6.2 |
| Production for Export | 189 | 213 | 19 | 13 | 18 | 24 | 217 | 21.7 |
| Solid Bleached Paperboard | 3,948 | 4,271 | 343 | 390 | 366 | 373 | 4,448 | 3.5 |
| Production for Export | 466 | 569 | 46 | 59 | 54 | 50 | 615 | 9.5 |
| Recycled Paperboard | 7,630 | 8,083 | 689 | 754 | 741 | 802 | 8,929 | 9.6 |
| Production for Export | 26 | 70 | 2 | 4 | 3 | 3 | 33 | -54.2 |
| **TOTAL PAPERBOARD-Prod.-Unadj.** | 33,034 | 35,419 | 2,895 | 3,194 | 3,061 | 3,261 | 37,331 | 6.4 |
| - Containerboard Prod.(Dom. Use) | 20,042 | 21,426 | 1,731 | 1,916 | 1,846 | 1,952 | 22,443 | 6.9 |
| - Boxboard Prod.(Dom. Use) (2) | 5,673 | 5,903 | 482 | 534 | 513 | 516 | 6,232 | 3.3 |
| - All Other P'bd Prod.(D.U.) (2) | 4,808 | 4,992 | 436 | 492 | 444 | 525 | 5,594 | 10.9 |
| - Total Paperbd Prod. for Export | 2,511 | 3,097 | 246 | 253 | 258 | 267 | 3,063 | 1.6 |
| **TOTAL PAPERBOARD PROD.- S.A.** | | | 3,084 | 2,984 | 3,052 | 3,109 | 36,844 | 6.5 |
| **TOTAL PAPER AND PAPERBOARD** | | | | | | | | |
| Production - actual | 67,030 | 70,861 | 5,769 | 6,282 | 6,055 | 6,285 | 73,471 | 4.7 |
| Production - S.A. | | | 6,077 | 5,909 | 6,052 | 6,086 | 72,636 | 4.8 |

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

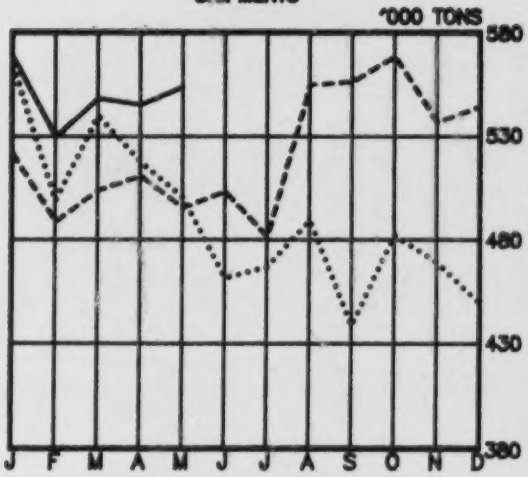
## GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



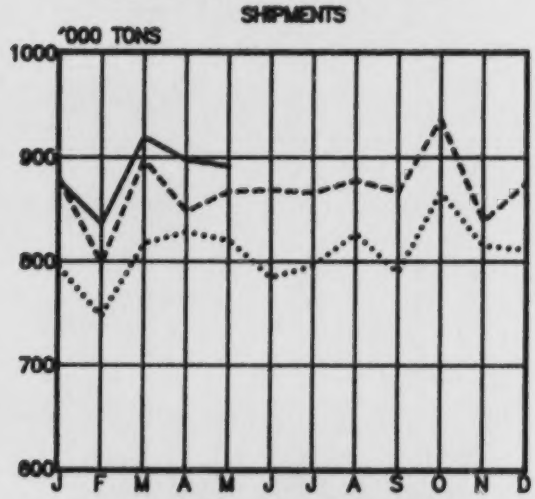

## COATED PAPER

SHIPMENTS



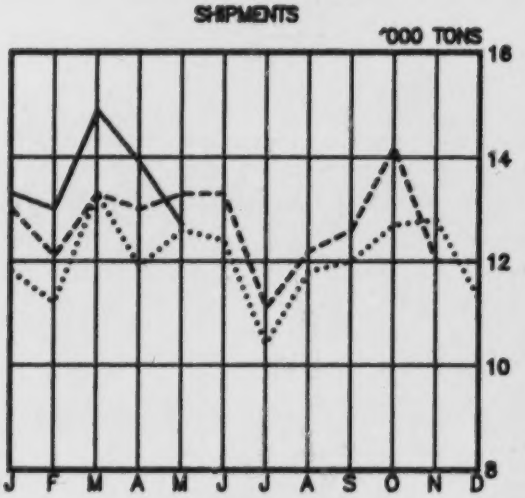

## UNCOATED FREE SHEET PAPERS

SHIPMENTS



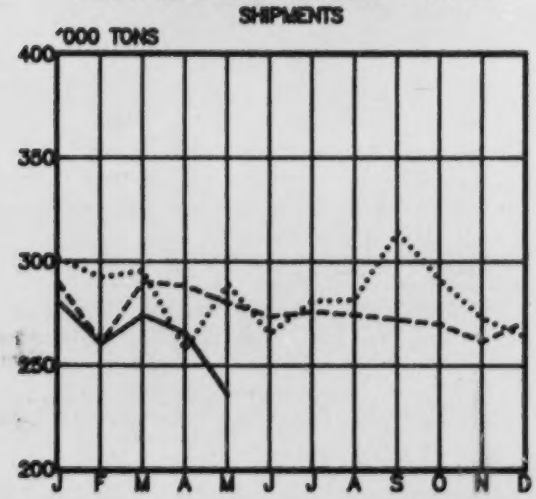

## COTTON FIBER PAPER

SHIPMENTS



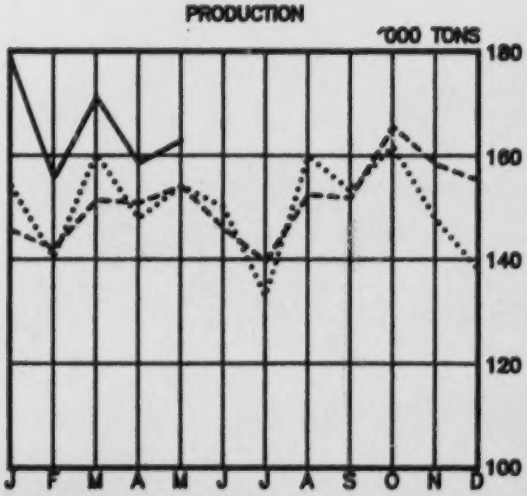

## UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS




## OTHER PAPER

PRODUCTION




1985 ..... 1986 - - - - - 1987 ———

## WOOD PULP STATISTICS
(Thousands of Tons)

| | YEAR 1985 | YEAR 1986 | JANUARY 1987 | FEBRUARY 1987 | MARCH 1987 | APRIL 1987 | Annual Rate Y-T-D 1987 | % Change from same Period Last Year |
|---|---|---|---|---|---|---|---|---|
| **TOTAL WOOD PULP** | | | | | R | P | | |
| Total Wood Pulp - Production | 54,147 | 57,268 | 5,077 | 4,616 | 5,026 | 4,882 | 58,800 | 4.0 |
| - Imports | 4,466 | 4,582 | 443 | 392 | 447 | 377 | 4,975 | 14.1 |
| - Exports | 3,791 | 4,458 | 306 | 372 | 471 | 390 | 4,619 | 3.9 |
| - New Supply | 54,821 | 57,392 | 5,213 | 4,635 | 5,002 | 4,869 | 59,157 | 4.8 |
| Dissolving Pulp - Production | 1,174 | 1,258 | 108 | 98 | 114 | 108 | 1,286 | 5.1 |
| - Imports | 175 | 255 | 12 | 19 | 20 | 25 | 227 | -13.5 |
| - Exports | 631 | 711 | 34 | 65 | 83 | 59 | 782 | 17.4 |
| - New Supply | 718 | 801 | 66 | 52 | 51 | 74 | 731 | -10.8 |
| Paper Grades - Production | 43,696 | 46,333 | 4,108 | 3,750 | 4,077 | 3,966 | 47,706 | 4.2 |
| Chemical Pulp - Imports | 4,104 | 4,220 | 424 | 363 | 403 | 341 | 4,592 | 13.8 |
| - Exports | 3,131 | 3,689 | 252 | 306 | 383 | 329 | 3,808 | 3.2 |
| - New Supply | 44,668 | 46,864 | 4,281 | 3,807 | 4,097 | 3,978 | 48,490 | 5.1 |
| Groundwood and - Production | 5,251 | 5,545 | 497 | 443 | 474 | 457 | 5,614 | 2.9 |
| Thermo-Mech. - Imports | 187 | 108 | 7 | 10 | 24 | 12 | 156 | 156.1 |
| - Exports | 29 | 59 | 1 | 1 | 5 | 3 | 28 | -67.2 |
| - New Supply | 5,409 | 5,594 | 503 | 452 | 493 | 466 | 5,742 | 5.8 |
| Semi-Chemical - Production | 4,027 | 4,133 | 364 | 324 | 361 | 350 | 4,194 | 3.6 |
| - Imports | | | | | | | | |
| - Exports | | | | | | | | |
| - New Supply | 4,027 | 4,133 | 364 | 324 | 361 | 350 | 4,194 | 3.6 |
| **MARKET WOOD PULP** | | | | | | | | |
| Total Market - Production | 6,800 | 7,567 | 668 | 595 | 686 | 670 | 7,857 | 7.4 |
| Wood Pulp - Imports | 2,791 | 3,048 | 220 | 224 | 288 | 248 | 2,940 | -0.4 |
| - Exports | 3,784 | 4,470 | 296 | 359 | 444 | 381 | 4,442 | -1.3 |
| - New Supply | 5,807 | 6,145 | 592 | 460 | 530 | 537 | 6,356 | 10.3 |
| Dissolving Pulp - Production | 1,172 | 1,251 | 107 | 98 | 113 | 108 | 1,278 | 5.3 |
| - Imports | 174 | 212 | 7 | 17 | 17 | 19 | 178 | -23.4 |
| - Exports | 667 | 718 | 42 | 65 | 73 | 61 | 722 | 3.9 |
| - New Supply | 679 | 745 | 72 | 49 | 57 | 66 | 734 | -2.4 |
| Paper Grades - Production | 5,613 | 6,303 | 560 | 495 | 572 | 561 | 6,566 | 7.9 |
| Chemical Pulp - Imports | 2,531 | 2,754 | 209 | 205 | 246 | 225 | 2,656 | -0.7 |
| - Exports | 3,117 | 3,752 | 254 | 294 | 371 | 320 | 3,720 | -2.2 |
| - New Supply | 5,028 | 5,305 | 515 | 406 | 447 | 466 | 5,501 | 11.0 |
| Groundwood Pulp - Production | 15 | 13 | 1 | 1 | 1 | 1 | 14 | 15.0 |
| and All Other - Imports | 86 | 83 | 3 | 3 | 24 | 5 | 106 | 139.9 |
| - Exports | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| - New Supply | 100 | 96 | 4 | 4 | 26 | 6 | 120 | 114.4 |

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

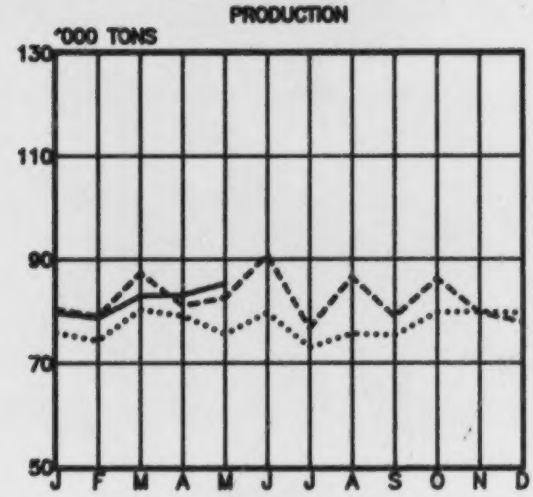
## FIBROUS RAW MATERIALS
(Thousands of tons)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **CONSUMPTION AT PAPER & PAPERBOARD MILLS** | | | | | R | P | | |
| Total | 68,899 | 72,398 | 6,410 | 5,890 | 6,411 | 6,158 | 74,605 | 4.2 |
| Total Wood Pulp | 53,276 | 55,729 | 4,978 | 4,510 | 4,925 | 4,721 | 57,403 | 4.4 |
| Waste Paper | 15,623 | 16,670 | 1,432 | 1,380 | 1,485 | 1,437 | 17,201 | 3.6 |
| **INVENTORIES** | | | | | | | | |
| Chemical Paper Grade Market Pulp | | | | | | | | |
| Producers' Own-Use Inventories | 165 | 174 | 183 | 200 | 198 | 186 | 186 | 24.8 |
| Producers' Market Inventories | 485 | 284 | 352 | 338 | 292 | 300 | 300 | -17.7 |
| Consumers' Purchased Inventories | 492 | 569 | 530 | 561 | 573 | 580 | 580 | 8.0 |
| Waste Paper at Paper & Bd. Mills | 969 | 933 | 781 | 769 | 755 | 775 | 775 | -10.5 |
| Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp | 30 | 16 | 20 | 19 | 16 | 16 | 16 | -20.0 |

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

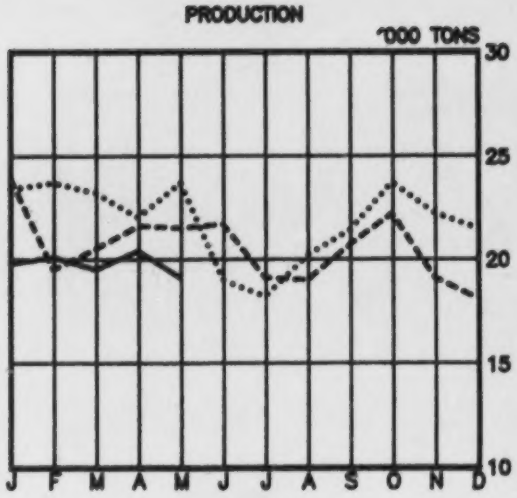
## BLEACHED BRISTOLS

PRODUCTION



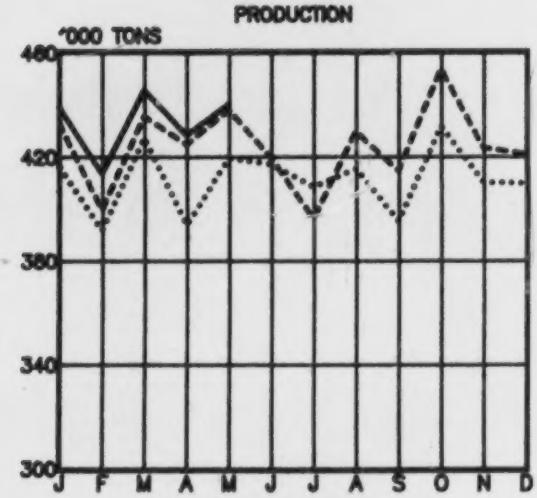

## THIN PAPER

PRODUCTION



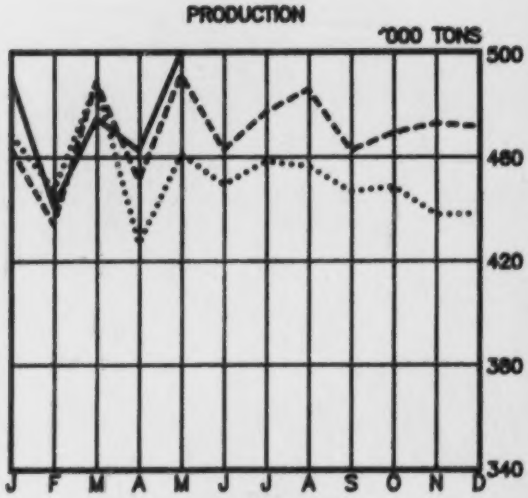

## TISSUE PAPER

PRODUCTION



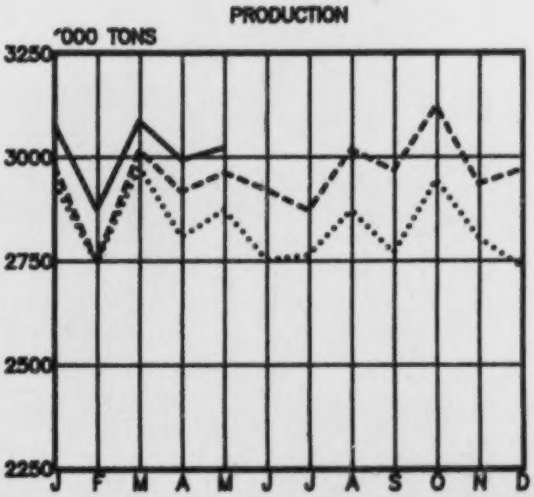

## NEWSPRINT

PRODUCTION



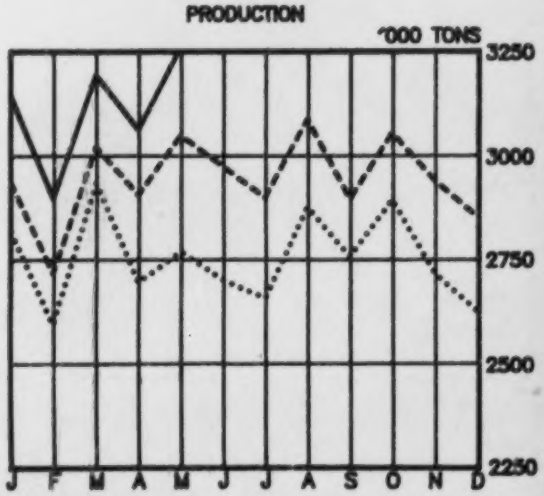

## TOTAL PAPER

PRODUCTION




## TOTAL PAPERBOARD

PRODUCTION




1985 ····· 1986 - - - - - 1987 ——

## F I B R O U S  R A W  M A T E R I A L S
(Thousands of Standard (128 cubic foot) Cords)

| | | YEAR 1985 | YEAR 1986 | JANUARY 1987 | FEBRUARY 1987 | MARCH 1987 | APRIL 1987 | Annual Rate Y-T-D 1987 | % Change From Same Period Last Year |
|---|---|---|---|---|---|---|---|---|---|
| **PULPWOOD** | | | | | | | | | |
| Total U.S. | - Total Receipts | 85,499 | 90,943 | 8,074 | 7,694 | 7,912 | 7,873 | 94,659 | 3.6 |
| | - Total Consumpt | 85,744 | 91,434 | 8,049 | 7,541 | 7,869 | 7,855 | 93,942 | 3.1 |
| | - Residues * | 30,464 | 32,755 | 2,734 | 2,656 | 2,715 | 2,783 | 32,664 | -2.0 |
| | - Inventories | 5,046 | 4,794 | 4,712 | 4,900 | 4,891 | 4,950 | 4,950 | -7.2 |
| So. Atlantic | - Total Receipts | 27,589 | 29,513 | 2,518 | 2,439 | 2,563 | 2,523 | 30,129 | 0.0 |
| | - Total Consumpt | 27,815 | 29,425 | 2,577 | 2,468 | 2,539 | 2,515 | 30,297 | 2.2 |
| | - Residues * | 7,970 | 9,343 | 785 | 732 | 718 | 721 | 8,868 | -5.0 |
| | - Inventories | 1,117 | 994 | 868 | 856 | 875 | 922 | 922 | -19.6 |
| Northeast | - Total Receipts | 7,430 | 7,277 | 686 | 664 | 618 | 502 | 7,410 | 0.2 |
| | - Total Consumpt | 7,394 | 7,227 | 666 | 613 | 612 | 615 | 7,518 | -1.4 |
| | - Residues * | 1,539 | 1,419 | 107 | 180 | 129 | 117 | 1,599 | 10.1 |
| | - Inventories | 544 | 484 | 495 | 542 | 535 | 430 | 430 | 4.6 |
| South Central | - Total Receipts | 29,786 | 31,790 | 2,851 | 2,630 | 2,874 | 3,007 | 34,086 | 7.7 |
| | - Total Consumpt | 29,914 | 32,113 | 2,801 | 2,622 | 2,804 | 2,812 | 33,117 | 4.9 |
| | - Residues * | 9,207 | 9,792 | 891 | 801 | 869 | 912 | 10,419 | 8.0 |
| | - Inventories | 1,198 | 926 | 919 | 910 | 924 | 1,101 | 1,101 | -12.8 |
| North Central | - Total Receipts | 6,430 | 6,571 | 681 | 640 | 469 | 409 | 6,597 | 1.7 |
| | - Total Consumpt | 6,296 | 6,730 | 587 | 538 | 575 | 551 | 6,753 | 2.2 |
| | - Residues * | 1,290 | 1,042 | 87 | 77 | 91 | 85 | 1,020 | -7.6 |
| | - Inventories | 884 | 892 | 1,021 | 1,149 | 1,046 | 949 | 949 | 8.7 |
| West | - Total Receipts | 14,264 | 15,792 | 1,338 | 1,321 | 1,388 | 1,432 | 16,437 | 4.5 |
| | - Total Consumpt | 14,325 | 15,939 | 1,418 | 1,300 | 1,339 | 1,362 | 16,257 | 4.1 |
| | - Residues * | 10,458 | 11,159 | 864 | 866 | 908 | 948 | 10,758 | -8.7 |
| | - Inventories | 1,303 | 1,498 | 1,409 | 1,443 | 1,511 | 1,548 | 1,548 | -5.7 |

* - Consumption of Residues in Cord Equivalents. SOURCE American Pulpwood Association 24 Jun 87

## U N I T E D  S T A T E S  T R A D E  W I T H  C A N A D A

### IMPORTS FROM CANADA

| | YEAR Tons | 1986 $000's | MARCH Tons | 1987 $000's | APRIL Tons | 1987 $000's | Annual Rate Y-T-D 1987 Tons | % Change From same Period Last Year |
|---|---|---|---|---|---|---|---|---|
| Pulpwood, Roundwood (in cords of 128 cubic feet) | 59,490 | 4,224 | 214 | 11 | 14 | 1 | 1,497 | -95.2 |
| Pulpwood chips | 723,257 | 19,488 | 55,195 | 2,118 | 34,085 | 778 | 302,754 | -65.3 |
| Wood Pulp, Total | 3,949,414 | 1,422,180 | 368,725 | 151,649 | 333,673 | 141,735 | 4,466,154 | 23.0 |
| Waste Fibrous Materials, Total | 157,870 | 27,196 | 16,763 | 3,389 | 16,244 | 3,433 | 183,333 | 15.6 |
| Paper, Board & Products, Total | 9,963,486 | 4,467,761 | 898,436 | 424,440 | 877,751 | 411,749 | 10,614,197 | 10.6 |
| Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd. | 9,842,154 | 4,268,820 | 884,394 | 400,345 | 864,805 | 390,127 | 10,458,764 | 10.3 |
| Paper, Paperboard & Products | 9,715,710 | 4,393,592 | 876,360 | 418,007 | 857,216 | 405,877 | 10,372,472 | 10.9 |
| Paper & Paperboard, Only | 9,594,378 | 4,194,651 | 862,318 | 393,911 | 844,270 | 384,255 | 10,217,039 | 10.6 |
| Paper, Total | 9,367,380 | 4,130,464 | 843,094 | 388,015 | 825,327 | 378,130 | 9,973,712 | 10.5 |
| Newsprint | 8,269,333 | 3,556,983 | 727,834 | 326,811 | 703,953 | 314,045 | 8,642,310 | 7.1 |
| Printing, Writing & Rel. Pap. | 868,628 | 457,685 | 91,736 | 48,894 | 100,710 | 52,621 | 1,058,339 | 37.5 |
| Pack. & Ind. Conv. Paper | 182,481 | 81,492 | 19,760 | 9,314 | 17,100 | 8,416 | 231,465 | 48.4 |
| Special Industrial Paper | 4,766 | 7,893 | 479 | 818 | 606 | 1,171 | 6,672 | 57.5 |
| Tissue Paper | 42,173 | 26,411 | 3,285 | 2,178 | 2,957 | 1,877 | 34,927 | 13.0 |
| Paperboard, Total | 226,998 | 64,187 | 19,224 | 5,896 | 18,943 | 6,126 | 243,327 | 15.0 |
| Convtd Paper&Paperbd Products | 121,332 | 198,941 | 14,042 | 24,096 | 12,946 | 21,622 | 155,433 | 37.3 |
| Wet Machine Board | 2,332 | 1,570 | 329 | 221 | 238 | 159 | 3,056 | 30.8 |
| Construction Paper & Board | 245,444 | 72,599 | 21,748 | 6,212 | 20,297 | 5,713 | 238,670 | -0.3 |

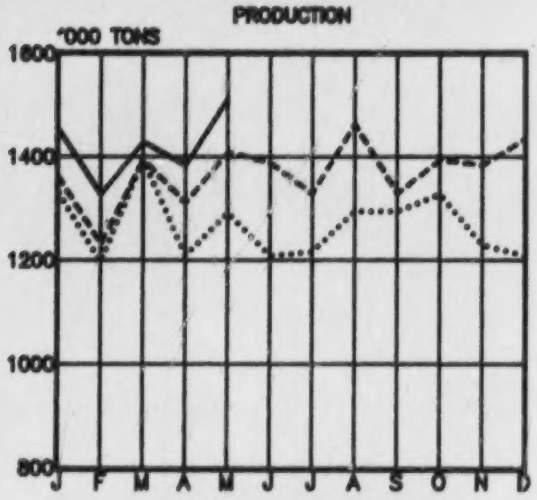
### EXPORTS TO CANADA

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Pulpwood, Roundwood (in cords of 128 cubic feet) | 39,191 | 2,201 | 421 | 24 | 245 | 15 | 5,238 | -78.7 |
| Pulpwood chips | 262,844 | 13,577 | 7,550 | 468 | 6,412 | 464 | 90,684 | 14.1 |
| Wood Pulp, Total | 262,353 | 76,591 | 18,208 | 7,711 | 18,380 | 6,471 | 196,170 | -32.5 |
| Cotton Pulp & Other Pulp | 33,629 | 10,458 | 3,268 | 969 | 2,638 | 1,002 | 35,682 | 27.9 |
| Waste Paper | 226,215 | 23,254 | 24,754 | 2,516 | 24,439 | 2,486 | 256,026 | 45.7 |
| Paper, Board & Products, Total | 846,141 | 464,795 | 78,080 | 51,304 | 76,760 | 52,507 | 882,666 | -7.5 |
| Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd. | 691,355 | 315,820 | 61,110 | 34,440 | 57,560 | 34,523 | 680,467 | -14.6 |
| Paper, Paperboard & Products | 836,282 | 452,239 | 75,520 | 50,022 | 73,004 | 50,823 | 848,513 | -8.3 |
| Paper & Paperboard, Only | 661,496 | 303,265 | 58,549 | 33,158 | 53,804 | 32,839 | 646,314 | -16.0 |
| Paper, Total | 278,911 | 300,168 | 23,742 | 20,704 | 24,460 | 21,180 | 304,542 | -6.6 |
| Newsprint | 6,040 | 4,457 | 290 | 268 | 513 | 457 | 5,028 | 81.3 |
| Printing, Writing & Rel. Pap. | 121,167 | 99,480 | 12,071 | 10,049 | 11,840 | 9,561 | 145,072 | 17.7 |
| Pack. & Ind. Conv. Paper | 25,614 | 16,467 | 1,852 | 1,644 | 2,265 | 1,506 | 26,540 | -10.3 |
| Special Industrial Paper | 122,874 | 75,189 | 9,102 | 7,977 | 9,502 | 9,066 | 124,179 | -26.0 |
| Tissue Paper | 3,217 | 4,577 | 428 | 766 | 340 | 591 | 3,724 | 34.3 |
| Paperboard, Total | 382,584 | 103,096 | 34,807 | 12,453 | 29,345 | 11,659 | 341,772 | -22.8 |
| Convtd Paper&Paperbd Products | 154,786 | 148,975 | 16,971 | 16,864 | 19,199 | 17,985 | 202,199 | 29.0 |
| Wet Machine Board | 10,728 | 4,638 | 748 | 335 | 1,223 | 496 | 11,803 | 39.0 |
| Construction Paper & Board | 19,132 | 7,918 | 1,812 | 947 | 2,533 | 1,188 | 22,350 | 14.7 |

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 24-Jun-87

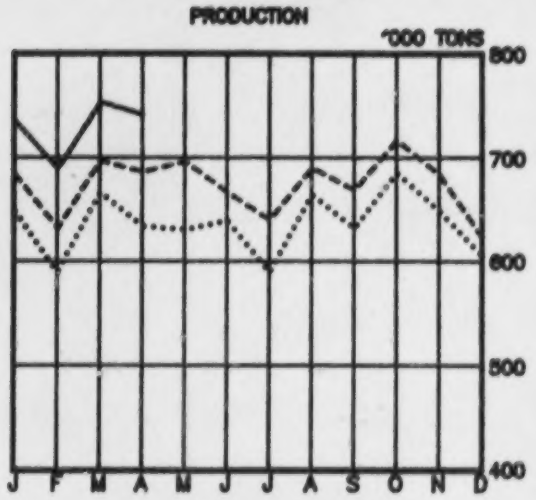
## UNBLEACHED KRAFT LINERBOARD

PRODUCTION



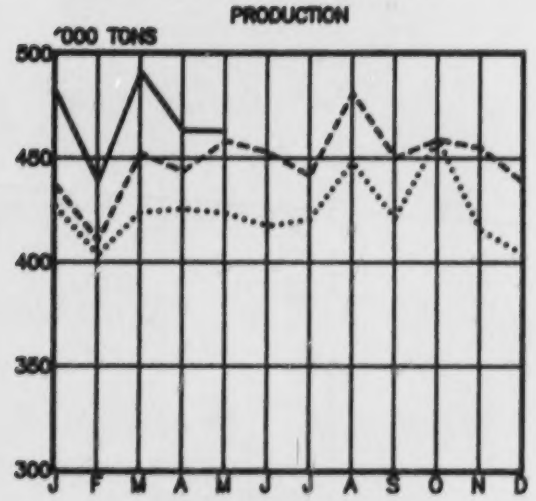

## RECYCLED PAPERBOARD

PRODUCTION



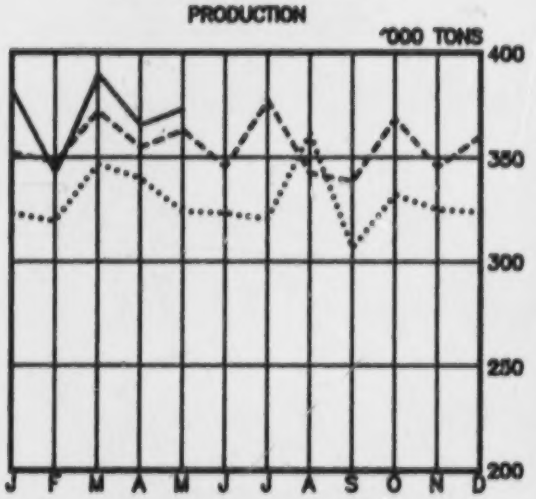

## SEMICHEMICAL PAPERBOARD

PRODUCTION



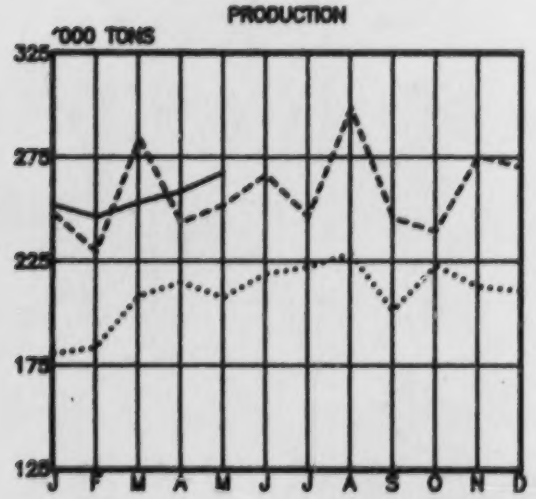

## SOLID BLEACHED PAPERBOARD

PRODUCTION



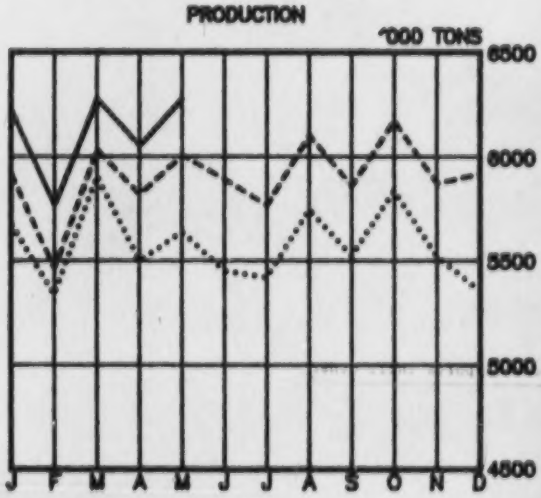

## PAPERBOARD FOR EXPORT

PRODUCTION




## TOTAL PAPER AND PAPERBOARD

PRODUCTION




1955 ····· 1956 - - - - - 1957 ——

## I M P O R T S

| | YEAR Tons | 1986 $000 | 1987 MARCH Tons | 1987 MARCH $000 | 1987 APRIL Tons | 1987 APRIL $000 | (1) Annual Rate YTD 1987 Tons | % Change from same Period Last Year |
|---|---|---|---|---|---|---|---|---|
| Pulpwood Roundwood (cords) | 60,850 | 4,563 | 214 | 11 | 14 | 1 | 1,575 | -95.4 |
| Pulpwood Chips | 724,828 | 19,642 | 55,595 | 2,160 | 67,301 | 788 | 493,959 | -43.7 |
| Total All Imports | 16,722,494 | 7,674,736 | 1,556,795 | 764,075 | 1,480,196 | 730,045 | 17,918,705 | 11.9 |
| Wood Pulp Total | 4,581,760 | 1,601,378 | 447,154 | 181,266 | 377,149 | 162,240 | 4,975,269 | 14.1 |
| Waste Paper | 99,313 | 11,182 | 10,821 | 1,707 | 10,267 | 1,669 | 112,458 | 17.7 |
| Other Fibrous Materials | 104,969 | 26,326 | 7,543 | 2,713 | 7,501 | 2,775 | 87,599 | -34.9 |
| Paper Board & Products Total | 11,936,452 | 6,035,850 | 1,091,279 | 578,389 | 1,065,279 | 563,361 | 12,743,378 | 11.6 |
| Paper Paperboard Wet Machine Bd. & Construction Paper & Board | 11,546,545 | 5,247,129 | 1,054,479 | 496,612 | 1,027,104 | 480,459 | 12,313,037 | 11.1 |
| Paper Ppbd & Prds ex Cnst&WMB | 11,596,808 | 5,928,457 | 1,062,623 | 549,393 | 1,037,538 | 554,524 | 12,421,486 | 12.0 |
| Paper & Paperboard Only | 11,206,901 | 5,139,735 | 1,025,824 | 487,616 | 999,363 | 471,622 | 11,991,145 | 11.5 |
| Paper Total | 10,925,453 | 5,051,917 | 999,825 | 479,038 | 967,500 | 458,798 | 11,601,598 | 10.5 |
| Newsprint | 8,587,507 | 3,682,351 | 758,845 | 339,411 | 740,100 | 328,261 | 8,961,726 | 6.8 |
| Printing & Writing | 2,029,302 | 1,179,802 | 208,333 | 119,489 | 200,092 | 112,791 | 2,260,859 | 23.7 |
| Uncoated Groundwood | 1,028,231 | 531,149 | 115,814 | 58,421 | 109,505 | 54,732 | 1,198,082 | 33.7 |
| Coated Print.& Impreg. Pap. | 501,382 | 359,495 | 49,849 | 35,394 | 51,324 | 35,499 | 591,172 | 34.2 |
| Uncoated Free Sheet | 453,638 | 254,627 | 36,215 | 21,337 | 36,249 | 19,706 | 414,311 | -6.8 |
| Uncoated Book | 223,798 | 126,278 | 17,916 | 10,476 | 24,047 | 12,135 | 210,784 | -6.0 |
| Writing and Similar Paper | 229,841 | 128,349 | 18,299 | 10,861 | 12,202 | 7,570 | 203,527 | -7.7 |
| Thin (except Cigarette) | 45,351 | 33,831 | 6,413 | 4,296 | 2,911 | 2,726 | 56,373 | 23.8 |
| Bristols | 700 | 700 | 41 | 42 | 103 | 128 | 922 | 91.1 |
| Total Pkg & Other Paper | 242,571 | 146,212 | 29,158 | 17,415 | 22,656 | 14,481 | 325,396 | 45.8 |
| Unbleached Kraft Paper | 115,008 | 42,650 | 15,031 | 6,071 | 12,381 | 5,405 | 169,783 | 91.0 |
| Other Pkg. & Indust. Paper | 127,562 | 103,562 | 14,127 | 11,344 | 10,275 | 9,076 | 155,613 | 15.9 |
| Tissue | 66,073 | 43,552 | 3,489 | 2,723 | 4,652 | 3,265 | 53,617 | -10.9 |
| Paperboard, Total | 281,448 | 87,818 | 25,999 | 8,579 | 31,863 | 12,824 | 389,547 | 52.0 |
| Test or Containerboard | 78,063 | 25,596 | 7,056 | 2,438 | 6,000 | 2,199 | 85,521 | 19.5 |
| Semi-Chemical Corrugating | 99,062 | 22,092 | 8,926 | 2,520 | 10,055 | 2,739 | 121,641 | 40.5 |
| Other Paperboard | 104,324 | 40,130 | 10,017 | 3,621 | 15,809 | 7,886 | 182,385 | 86.0 |
| Convtd Paper&Paperbd Products | 389,907 | 788,721 | 36,799 | 81,777 | 38,175 | 82,903 | 430,341 | 27.0 |
| Paper Products, Total | 361,517 | 730,257 | 33,405 | 75,222 | 35,358 | 77,622 | 394,448 | 26.1 |
| Paperboard Products, Total | 28,390 | 58,464 | 3,394 | 6,555 | 2,817 | 5,280 | 35,893 | 38.2 |
| Wet Machine Board | 3,235 | 2,525 | 381 | 277 | 272 | 199 | 3,512 | -9.2 |
| Construction Paper & Board | 336,409 | 104,868 | 28,275 | 8,719 | 27,470 | 8,637 | 318,381 | 0.2 |
| Notes | | | | | | | | |
| Other: No Weight Avail. ($000) | | 212,338 | | 20,291 | | 18,373 | 209,732 | 13.1 |
| Total Imports Incl. Other($000) | | 7,887,074 | | 784,366 | | 748,418 | 8,991,926 | 22.2 |

## E X P O R T S

| | | | | | | | (1) | |
|---|---|---|---|---|---|---|---|---|
| Pulpwood, Roundwood (cords) | 42,190 | 2,373 | 421 | 24 | 497 | 26 | 8,754 | -72.5 |
| Pulpwood Chips | 2,428,333 | 170,022 | 159,928 | 11,890 | 261,498 | 19,601 | 2,265,702 | 13.3 |
| Total All Exports | 13,171,872 | 4,685,557 | 1,297,892 | 524,140 | 1,185,766 | 486,949 | 14,004,041 | 7.3 |
| Wood Pulp,Total | 4,458,312 | 1,662,466 | 471,448 | 210,972 | 389,890 | 173,553 | 4,618,242 | 3.9 |
| Cotton Pulp and Other Pulp | 157,452 | 72,500 | 12,469 | 5,854 | 10,752 | 6,259 | 142,884 | -30.0 |
| Waste and Old Paper | 3,748,711 | 411,076 | 378,841 | 49,661 | 348,776 | 46,052 | 4,098,693 | 10.6 |
| Paper, Board & Products,Total | 4,807,397 | 2,539,515 | 435,134 | 257,652 | 436,348 | 261,085 | 5,144,222 | 9.4 |
| Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board | 4,280,900 | 1,853,726 | 375,936 | 183,613 | 384,395 | 193,239 | 4,485,446 | 6.8 |
| Paper, Ppbd & Prod ex Cnst&WMB | 4,713,355 | 2,487,618 | 427,218 | 252,611 | 427,173 | 256,072 | 5,037,957 | 9.4 |
| Paper & Paperboard, Only | 4,186,858 | 1,801,828 | 368,020 | 178,572 | 375,219 | 188,226 | 4,379,181 | 6.8 |
| Paper, Total | 883,689 | 662,597 | 74,253 | 63,057 | 89,709 | 69,787 | 916,380 | 7.8 |
| Newsprint | 392,228 | 194,549 | 28,552 | 16,730 | 39,527 | 24,252 | 374,761 | 23.2 |
| Printing & Writing | 190,656 | 185,271 | 18,870 | 19,617 | 19,341 | 17,686 | 216,901 | 7.3 |
| Uncoated Groundwood | 40,847 | 28,947 | 4,810 | 3,519 | 2,380 | 2,157 | 43,407 | -17.5 |
| Clay Coated Paper | 78,248 | 57,856 | 6,947 | 5,317 | 10,598 | 6,578 | 93,973 | 14.2 |
| Uncoated Free Sheet | 50,140 | 71,354 | 4,538 | 7,630 | 4,569 | 6,710 | 55,098 | 11.6 |
| Other Printing & Writing | 21,420 | 27,114 | 2,575 | 3,152 | 1,795 | 2,241 | 24,423 | 36.4 |
| Total Pkg. & Other Paper | 284,048 | 241,426 | 25,251 | 24,409 | 26,043 | 24,845 | 297,007 | -9.5 |
| Unbleached Kraft | 78,248 | 72,009 | 8,987 | 3,947 | 7,628 | 3,369 | 86,456 | 28.0 |
| Other Pkg. & Indust. Paper | 205,800 | 209,417 | 16,264 | 20,461 | 18,415 | 21,476 | 210,551 | -19.2 |
| Tissue | 16,758 | 21,351 | 1,579 | 2,301 | 4,798 | 3,005 | 27,711 | 77.2 |
| Paperboard, Total | 3,303,169 | 1,159,231 | 293,767 | 115,515 | 285,510 | 118,439 | 3,462,800 | 6.5 |
| Solid Wood Pulp | 2,982,973 | 1,074,964 | 273,102 | 107,621 | 267,752 | 109,996 | 3,231,114 | 11.9 |
| Total Linerboard | 2,177,420 | 635,749 | 190,048 | 66,528 | 179,531 | 62,239 | 2,262,474 | 7.0 |
| Bleached Kraft Linerboard | 133,787 | 51,448 | 3,215 | 1,585 | 2,290 | 970 | 38,029 | -72.5 |
| Unbleached Kraft Linerbd | 2,043,633 | 584,301 | 186,833 | 64,943 | 177,241 | 61,270 | 2,224,445 | 12.6 |
| Other Unbleached Kraft | 157,614 | 57,548 | 22,927 | 8,115 | 22,662 | 8,506 | 233,587 | 64.7 |
| Other Bleached Kraft | 571,298 | 359,954 | 55,370 | 31,213 | 58,635 | 36,603 | 660,537 | 19.3 |
| Semi-Chemical Corrugating | 76,641 | 21,713 | 4,757 | 1,766 | 6,924 | 2,548 | 74,516 | -5.3 |
| Recycled Paperboard | 320,196 | 84,268 | 20,665 | 7,894 | 17,758 | 8,442 | 231,686 | -36.1 |
| Convtd Paper&Paperbd Products | 526,497 | 685,789 | 59,198 | 74,039 | 51,953 | 67,846 | 658,776 | 30.9 |
| Paper Products, Total | 240,171 | 456,429 | 25,251 | 49,684 | 25,307 | 47,008 | 283,213 | 24.7 |
| Paperboard Products, Total | 286,327 | 229,360 | 33,947 | 24,355 | 26,646 | 20,838 | 375,563 | 36.0 |
| Wet Machine Board | 18,893 | 7,259 | 1,229 | 534 | 2,216 | 928 | 22,023 | 15.3 |
| Construction Paper & Board E | 75,149 | 44,639 | 6,688 | 4,507 | 6,960 | 4,086 | 84,242 | 6.7 |
| Notes | | | | | | | | |
| Other: No Weight Avail. ($000) | | 7,298 | | 761 | | 853 | 7,829 | 0.0 |
| Total Exports Incl. Other($000) | | 4,692,855 | | 524,901 | | 487,802 | 5,617,473 | 28.6 |

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in Tons unless otherwise specified in item description.

## PRODUCER PRICE INDEXES
1967 = 100

| | 1985 | 1986 | FEBRUARY 1987 | MARCH 1987 | APRIL 1987 | MAY 1987 | Annual Rate Y T D 1987 | % Change from same Period Last Year |
|---|---|---|---|---|---|---|---|---|
| Pulp, Paper and Products except Building Grades | 292.0 | 293.9 | 306.6 | 307.3 | 309.2 | 309.0 | 307.1 | 6.1 |
| Pulp Paper & Products ex. Building Grades & ex Waste Paper * | 294.5 | 295.9 | 308.4 | 308.9 | 310.7 | 310.6 | 308.8 | 5.7 |
| Total Wood Pulp | 346.6 | 358.7 | 396.1 | 407.4 | 411.9 | 418.2 | 406.1 | 19 8 |
| Total Paper | 303.4 | 306.3 | 318.1 | 312.9 | 315.3 | 314.5 | 315.2 | 4.2 |
| Total Paper, exc. Newsprint | 298.8 | 300.4 | 310.3 | 302.3 | 301 7 | 300 6 | 304.8 | 2 8 |
| Newsprint | 332.9 | 326.1 | 343.3 | 342.2 | 342.7 | 343.1 | 342.4 | 5.6 |
| Total Paperboard | 274.6 | 271.9 | 290.2 | 292.6 | 295.8 | 296.2 | 292.2 | 9 5 |
| Total Paper and Paperboard * | 294.4 | 295.4 | 309.4 | 306.5 | 309.2 | 308.8 | 306.0 | 5.7 |
| Converted Products | 288.1 | 289.3 | 298.8 | 300.7 | 301.5 | 301.2 | 299 6 | 4 5 |
| Waste Paper | 148.8 | 172.8 | 201.5 | 213.3 | 218.8 | 217.5 | 209.1 | 49.1 |
| All Commodities | 308.9 | 299.8 | 302.7 | 302.8 | 305.1 | 307 3 | 300.9 | 0.5 |
| Industrial Commodities | 324.0 | 312.1 | 315.7 | 315.8 | 317.4 | 318.6 | 316.2 | 0.0 |

SOURCE. Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

## PAPER INDUSTRY
### CAPITAL EXPENDITURES AND APPROPRIATIONS
(Billions of dollars; seasonally adjusted at annual rates)

| | (1) BEA Capital Expenditures | (2) Conference Board Capital Appropriations | (3) Conference Board Expenditures |
|---|---|---|---|
| 1984-1 | $6.52 | $4.00 | $3.32 |
| 2 | 6.85 | 7.38 | 3.43 |
| 3 | 7.40 | 6.34 | 3.52 |
| 4 | 8.06 | 7.82 | 4.75 |
| Year: | $7.21 | $6.39 | $3.75 |
| 1985-1 | $7.87 | $3.70 | $3.52 |
| 2 | 8.20 | 2.92 | 3.52 |
| 3 | 8.73 | 3.55 | 4.23 |
| 4 | 9.56 | 2.63 | 4.54 |
| Year: | $8.59 | $3.20 | $3.95 |
| 1986-1 | $8.67 | $2.11 | $4.05 |
| 2 | 9.02 | 4.81 | 5.33 |
| 3 | 8.68 | 5.84 | 4.53 |
| 4 | 8.69 | 6.61 | 4.16 |
| Year: | $8.76 | $4.84 | $4.52 |
| 1987-1 | $8.03 | $7.05 | $4.64 |
| 2 | 8.48E | N.A. | N.A. |

Sources: Column (1) Bureau of Economic Analysis, Department of Commerce

Columns (2,3) The Conference Board

N.A. = Not Available

E = Estimated by BEA

Data Refer to Paper and Allied Products Companies Included in the 1000 Largest U. S. Companies

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

JUNE 30, 1987

PRODUCTION (000 TONS)

| | MAY | APRIL | MAY | FIRST FIVE MONTHS | | % CHANGE YR TO DATE |
|---|---|---|---|---|---|---|
| | 1987 | 1987 | 1986 | 1987 | 1986 | 1987/1986 |
| PAPER GRADES | | | | | | |
| Newsprint | 500 | 462 | 492 | 2,369 | 2,329 | 1.7 |
| Printing & Writing | 1,684 | 1,679 | 1,600 | 8,380 | 8,016 | 4.5 |
| Uncoated Groundwood (s) | 123 | 120 | 121 | 643 | 629 | 2.3 |
| Coated Paper (s) | 554 | 545 | 495 | 2,744 | 2,518 | 9.0 |
| Uncoated Free Sheet Paper (s) | 891 | 896 | 866 | 4,416 | 4,286 | 3.0 |
| Thin Paper (s) | 19 | 20 | 21 | 99 | 107 | -7.5 |
| Cotton Fiber Paper (s) | 13 | 14 | 13 | 68 | 65 | 4.8 |
| Bleached Bristols (s) | 86 | 83 | 83 | 411 | 412 | -0.1 |
| Tissue Paper | 441 | 429 | 438 | 2,169 | 2,134 | 1.6 |
| Total Pkg & Other Paper | 398 | 424 | 434 | 2,140 | 2,151 | -0.5 |
| Unbleached Kraft Packaging & Indl. Converting (s) | 235 | 265 | 280 | 1,314 | 1,407 | -6.6 |
| Other Paper | 163 | 159 | 154 | 827 | 744 | 11.1 |
| TOTAL PAPER | 3,024 | 2,994 | 2,964 | 15,058 | 14,629 | 2.9 |
| PAPERBOARD GRADES | | | | | | |
| Unbleached Kraft Paperboard | 1,623 | 1,492 | 1,530 | 7,645 | 7,237 | 5.6 |
| Unbleached Kraft Linerboard | 1,510 | 1,381 | 1,406 | 7,092 | 6,695 | 5.9 |
| Other Unbl. Kraft Paperboard | 113 | 111 | 124 | 553 | 541 | 2.2 |
| Semichemical Paperboard | 463 | 463 | 458 | 2,336 | 2,200 | 6.2 |
| Bleached Paperboard | 373 | 366 | 363 | 1,854 | 1,791 | 3.5 |
| Recycled Paperboard | 802 | 741 | 696 | 3,720 | 3,394 | 9.6 |
| TOTAL PAPERBOARD | 3,261 | 3,061 | 3,048 | 15,555 | 14,621 | 6.4 |
| TOTAL PAPER AND PAPERBOARD | 6,285 | 6,055 | 6,011 | 30,613 | 29,250 | 4.7 |

| WOOD PULP (ALL GRADES) | APRIL 1987 | MARCH 1987 | APRIL 1986 | First 4 Months 1987 | 1986 | % Change 87/86 |
|---|---|---|---|---|---|---|
| Dissolving & Special Alpha | 108 | 114 | 97 | 429 | 408 | 5.1 |
| Bleached Sulfite | 107 | 108 | 119 | 429 | 464 | -7.6 |
| Unbleached Sulfite | 13 | 13 | 14 | 53 | 56 | -4.7 |
| Bleached & Semi-Bl. Sulfate | 2146 | 2139 | 2003 | 8413 | 7970 | 5.6 |
| Unbleached Sulfate | 1701 | 1818 | 1712 | 7007 | 6776 | 3.4 |
| Semichemical | 350 | 361 | 347 | 1398 | 1350 | 3.6 |
| Groundwood & Thermomechanical | 457 | 474 | 459 | 1871 | 1818 | 2.9 |
| Unbleached Sulfate | 1823 | 1659 | 1751 | 5321 | 5064 | 5.1 |
| TOTAL PULP DIVISION DATA | 4882 | 5026 | 4751 | 19600 | 18841 | 4.0 |

(s) - Shipments
P - Preliminary R - Revised

June 30,1987

| | Full Year | | INDUSTRY DATA 1986 - 1987 | | | Ann. Rate Year - To - Date | % From Same Pd. Last Year |
|---|---|---|---|---|---|---|---|
| | | | R | P | | | |
| PAPER AND PAPERBOARD -- Tons (000) | 1985 | 1986 | March | April | May | 1987 | |
| Total Production (API).....: excluding :... | 67,030 | 70,861 | 6282 | 6055 | 6285 | 73,471 | 4.7 |
| Total Seasonally Adjusted....:construction:... | | | 5909 | 6052 | 6086 | 72,636 | 4.8 |
| Imports (including Products).: and wet :..E | 11,106 | 11,597 | 1063 | 1038 | 1040 | 12,433 | 10.3 |
| Exports (including Products).: machine :..E | 4,009 | 4,713 | 427 | 427 | 440 | 5,086 | 9.1 |
| Apparent Consumption.....: grades :... | 74,127 a | 77,745 b | 6,545 | 6,663 | 6,686 | 79,983 c | 5.3 |
| Paper Production % Tonnage Capacity..... | 90.5 g | 93.0 g | 92.0 | 91.1 | 89.2 | 92.2 gh | - |
| Paperboard Production % Tonnage Capacity..... | 90.0 g | 94.4 g | 98.3 | 96.5 | 100.0 | 98.1 g | - |
| | | | February | March | April | | |
| IMPORTS.....:Including Construction and :... | 11,521 | 11,936 | 995 | 1091 | 1065 | 12,744 | 11.6 |
| EXPORTS.....: WMB Grades (excl. HPB) :... | 4,077 | 4,807 | 423 | 435 | 436 | 5,144 | 9.4 |
| | | | February | March | April | | |
| MARKET WOOD PULP PRODUCTION - Tons (000)..... | 6,800 | 7,567 | 595 | 686 | 670 | 7,857 | 7.4 |
| TOTAL WOOD PULP PRODUCTION - Tons (000)..... | 54,147 | 57,268 | 4616 | 5026 | 4882 | 58,800 | 4.0 |
| WOOD PULP IMPORTS - TONS (000)..... | 4,466 | 4,582 | 392 | 447 | 377 | 4,975 | 14.1 |
| WOOD PULP EXPORTS - TONS (000)..... | 3,791 | 4,458 | 372 | 472 | 390 | 4,619 | 4.0 |
| RAW MATERIALS CONSUMPTION - Tons (000) | | | | | | | |
| ..PAPER AND BOARD MILLS : excluding : | | | February | March | April | | |
| Wood Pulp.....:consumption for:..... | 53,276 | 55,729 | 4510 | 4925 | 4721 | 57,404 | 4.4 |
| Waste Paper.....:construction & :..... | 15,623 | 16,670 | 1380 | 1486 | 1437 | 17,201 | 3.6 |
| TOTAL.....: WMB grades :..... | 68,899 | 72,398 | 5890 | 6411 | 6158 | 74,605 | 4.2 |
| PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn | 85,744 | 91,434 | 7541 | 7869 | 7855 | 93,942 | 3.1 |
| EMPLOYMENT (000) | | | February | March | April | | |
| Paper and Allied Products.....Total..... | 683.2 | 690.0 | 689.7 | 675.0 | 673.3 | 680.5 | -0.6 |
| Pulp, Paper and Board Mills.....Total.....E | 252.3 | 248.5 | 246.8 | 246.3 | 245.1 | 246.2 | -0.6 |
| AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($) | | | | | | | |
| Paper and Allied Products..... | 10.82 | 11.14 | 11.18 | 11.27 | 11.37 | 11.28 | 2.1 |
| Pulp, Paper Mills.....E | 13.11 | 13.58 | 13.72 | 13.77 | 13.88 | 13.82 | 3.2 |
| Paperboard Mills.....E | 13.60 | 14.01 | 14.01 | 14.00 | 14.28 | 14.09 | 1.6 |
| CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS | | | 1986 Q4 | 1987 Q1 | 1987 Q2 | | |
| (Rept. by US Dept. of Com., Ann. Rates, Bill.$)* | 8.59 | 8.76 | 8.69 | 8.69 | 8.69 | 8.51 y | -2.9 |
| INDEX OF OUTPUT PER MAN-HOUR (1977=100)..... | | | March | April | May | | |
| :IN PULP, PAPER :...Production Workers..... | 123.6 | 131.7 | 135.8 | 137.3 | 137.0 | 137.0 | 6.3 |
| :AND BOARD MILLS:...All Employees..... | 122.1 | 130.9 | 131.9 | 132.3 | 135.4 | 134.3 | 4.7 |
| PAPER AND ALLIED PRODUCTS (Million $) | | | March | April | May | | |
| Industry Shipments (Dept. of Commerce)*..... | 97,664 | 109,582 | 9,426 | 9,451 | 9,489 | 113,105 | 8.2 |
| Pulp, Paper and Paperboard*..... | 41,830 | 46,632 | 3,990 | 4,023 | 4,012 | 48,492 | 10.3 |
| Inventories (End of Period) - Total Industry*.. | 9,728 | 10,250 | 10,837 | 10,817 | 10,872 | 10,872 | 11.3 |
| Pulp, Paper and Paperboard*..... | 3,800 | 4,078 | 4,172 | 4,187 | 4,195 | 4,195 | 7.1 |
| | | | 1986 Q3 | 1986 Q4 | 1987 Q1 | | |
| Sales (Corporations Only)..... | 71,465 | 74,844 | 18,904 | 19,948 | 19941 | 19,941 | 13.8 |
| Earnings (Corporations Only)..... | 2,880 | 3,280 | 819 | 957 | 996 | 996 | 70.8 |
| Depreciation (Corporations Only)..... | 3,099 | 3,389 | 843 | 883 | 951 | 951 | 16.1 |
| Net Worth (Corporations Only)..... | 29,694 | 31,221 | 31,018 | 31,221 | 32231 | 32,231 | 7.5 |
| PRICE INDEXES (Bureau of Labor Stats)1967=100 | | | March | April | May | | |
| Pulp, Paper & Products, ex. Building Grades.... | 292.0 | 293.8 | 307.3 | 309.2 | 309.0 | 307.1 | 6.1 |
| Wood Pulp..... | 346.6 | 358.8 | 407.4 | 411.9 | 418.2 | 406.1 | 19.8 |
| Waste Paper..... | 148.8 | 172.8 | 213.3 | 218.8 | 217.5 | 209.1 | 49.1 |
| Paper..... | 303.4 | 306.3 | 312.9 | 315.3 | 314.5 | 315.2 | 4.2 |
| Paperboard..... | 274 6 | 271 6 | 292 6 | 295 3 | 296 2 | 292 2 | 9.5 |
| PAPER DEMAND (INDEXED: 1977=100) | | | March | April | May | | |
| Total Paper Production *..... | 122.8 | 128.1 | 126.7 | 130.0 | 129.0 | 129.2 | 3.0 |
| Paper New Supply *..... | 128.7 | 133.7 | 135.7 | 136.7 | 135.9 | 136.4 | 4.3 |
| Demand Indicators - (Weighted Average) *..... | 141.6 | 148.8 | 152.3 | 152.2 | 154.6 | 152.6 | 4.2 |
| Production of Nondurable Goods *...(21.2%). | 125.3 | 130.9 | 134.6 | 135.1 | 135.9 | 134.8 | 4.5 |
| Disposable Income .....*.(23.9%) | 126.8 | 131.4 | 132.3 | 128.3 | 132.3 | 131.3 | 0.2 |
| Total Printing and Publishing *...(54.9%). | 154.3 | 163.3 | 167.9 | 169.2 | 171.6 | 168.7 | 5.6 |
| Trend Factor | | | Not Available | | | | |
| PAPERBOARD DEMAND (INDEXED: 1977=100) | | | | | | | |
| Total Paperboard Production *..... | 114.3 | 122.6 | 123.7 | 126.5 | 128.9 | 127.3 | 6.5 |
| Production for Domestic Use ..... | 112.8 | 119.5 | 120.8 | 123.6 | 125.7 | 124.5 | 6.9 |
| Demand Indicators - (Weighted Average) *..... | 120.1 | 122.1 | 124.6 | 124.1 | 124.8 | 124.4 | 2.2 |
| Production of Consumer Goods *...(62.06%) | 120.5 | 124.5 | 127.6 | 126.6 | 127.4 | 127.2 | 2.9 |
| Production of Equipment *...( 5.75%) | 146.4 | 142.8 | 145.0 | 144.7 | 145.6 | 144.6 | 0.6 |
| Production of Materials *...(32.19%) | 114.5 | 113.9 | 115.1 | 115.6 | 116.0 | 115.4 | 1.2 |
| Trend Factor | | | Not Available | | | | |
| NEWSPRINT MARKETS | | | February | March | April | | |
| Consumption by Publishers - Tons (000)..... | 12,773 | 13,158 | 999 | 1,143 | 1,139 | 12,844 | 2.1 |
| Newspaper Pub. and Printing Empl. Total(000)... | 454 | 461 | 458 | 457 | 458 | 572 | 24.5 |
| PRINTING AND FINE PAPER MARKETS | | | | | | | |
| MAGAZINE ADVERTISING PAGES (PIB, Inc.)..... | 155,545 | 153,300 | 12,028 | 13,384 | 13,791 | 185,522 | 25.5 |
| WHOLESALERS SALES AND INVENTORIES (Million $)(j) | | | | | | | |
| Total Paper & Pap. Prdcts..ex Wallpaper..Sales | 34,635 | 38,536 | 3,480 | 3,800 | 3,792 | 43,683 | 16.6 |
| Inventories (End of Period). | 3,087 | 3,411 | 3,560 | 3,574 | 3,546 | 3,546 | 12.3 |
| FIBRE BOX DATA (Fibre Box Association) | | | March | April | May | | |
| Fibre Box Shipments (Million square feet)..... | 267,451 | 283,921 | 24,804 | 25,591 | 23,637 | 291,768 | 3.6 |
| .Container'bd Inventory at Mill & Plant(000Tons). | 2,549 | 2,238 | 2,414 | 2,375 | 2,397 | 2,397 | 0.1 |
| RETAIL TRADE (Million $) | | | March | April | May | | |
| Total Retail Sales *..... | 1,372,853 | 1,445,568 | 124,593 | 124,788 | 124,031 | 1,479,050 | 4.9 |
| Nondurable Goods Stores Sales *..... | 859,316 | 882,505 | 76,651 | 76,817 | 77,248 | 917,866 | 4.6 |
| GENERAL ECONOMIC DATA | | | March | April | May | | |
| TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*.. | 124.2 | 125.1 | 127.3 | 127.2 | 127.8 | 127.2 | 1.9 |
| PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100). | 308.7 | 299.8 | 302.8 | 305.1 | 307.3 | 303.7 | 0.5 |
| CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)... | 322.2 | 328.4 | 335.9 | 337.7 | 338.7 | 336.0 | 2.8 |
| | | | February | March | April | | |
| TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $).. | 531 | 586 | 575.3 | 574.1 | 577.9 | 577.9 | 7.4 |
| GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$).. | | | 1986 Q3 | 1986 Q4 | 1987 Q1 | | |
| G.N.P. or Expenditure - Current $..... | 3,998 | 4,206 | 4,241 | 4,259 | 4,348 | 4,348 | 4.8 |
| G.N.P. or Expenditure - 1982 $..... | 3,585 | 3,675 | 3,686 | 3,696 | 3,736 | 3,736 | 2.2 |

lb/capita

| Pap&Papbd | Othr | Totl | Popul(mil) |
|---|---|---|---|
| .a - 620 | + 18 | = 638 | 239.3 |
| .b - 644 | + 17 | = 661 | 241.5 |
| .c - 654 | + 17 | = 671 | 244.5 |

.e - estimated by API

r - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
j - Census unpublished data: standard dev. = 6-8%
h - Adjusted to Conform with API Division data
j - Census unpublished data: standard dev. = 6 - 8%
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted.

Imports of unbleached kraft papers amounted to 56,600 tons during the first four months of 1987, which were nearly twice their year-ago total. Exports of unbleached kraft papers have exceeded imports by substantial margins during recent years, but this pattern was reversed during the January-April 1987 period with imports nearly doubling exports. API's October 1986 Capacity Survey reported that over 300,000 tons of unbleached kraft paper capacity were to be shifted to other grades during 1986 and 1987.

Paperboard production: Demand for paperboard has been remarkably strong throughout the first five months of 1987. The seasonally adjusted rate of production in the April-May 1987 period was 37.0 million tons per year; the five-month 1987 rate, 36.8 million tons per year. This year-to-date rate was 6.4% above its year-ago level, which compared very favorably with the record-high 35.4 million tons noted for all of 1986.

All the major grades of paperboard shared in this growth. As the table on page 3 shows, kraft linerboard production gained 5.9%; semichemical paperboard production 6.2%; recycled paperboard production 9.6%; and solid bleached paperboard 3.5%. The production totals for all the grades represented operating rates well above 95% of their respective capacities.

The gains in the product totals mirror those shown in the market totals. Containerboard production for domestic use, for example, rose by 6.9% from the first five months of 1986 to the comparable 1987 period. This compares to a 3.6% increase in shipments of fibre boxes reported this same period. Inventories of containerboard at mills and box plants rose slightly in May, but still remained at a relatively low 5.75 weeks of supply, with production for domestic use generally matching consumption totals.

While boxboard production for domestic use showed a somewhat smaller increase, total production of folding boxboard rose by 5.5%, with all of the gain in production for domestic use. However, production of the milk carton and food service grades in the first five months of this year only matched their year-ago total. Production of tube can and drum stock, and of the non-packaging grades, showed relatively good gains.

Technical Note: The data on shipments of printing and writing papers and on production of paper and paperboard have been revised for all of 1986 and the first four months of 1987. These revisions are based on the annual re-surveys of data conducted by the Printing-Writing, Paperboard and Fourdrinier Kraft Board Divisions of the American Paper Institute. The Printing-Writing Division also revised its 1985-87 data to reflect a shift of certain grades to special industrial papers.

Continued on Page 12

## CAPITAL EXPENDITURES

Surveys conducted by three separate organizations indicate that the paper industry is continuing to spend heavily on plant and equipment. In a survey conducted during April and May, the Commerce Department found that paper and allied products industry companies intended to spend $8.48 billion on new plant and equipment during 1987, down only 3.2% from 1986's record outlays.

An earlier assessment, conducted by the Commerce Department last fall, pointed to a more substantial 7.8% decline in capital expenditures during 1987. The narrowing of the differential reflected an increase in anticipated expenditures for 1987, together with a 1.5% downward revision in the 1986 base, from $8.89 billion to $8.76 billion. By way of comparison, capital spending by the paper and allied products industry soared 19.2% in 1985 and then grew another 2% last year, to its record high of $8.76 billion.

While the Commerce Department is projecting that capital spending by the paper industry will be off slightly this year, other economic research organizations anticipate an increase. McGraw-Hill's latest survey, conducted during April and May of 1987, indicates that the paper industry will expand its capital outlays by 4% in 1987, to $9.12 billion.

The Conference Board keeps tabs on both capital expenditures and capital appropriations. Their latest report indicates that newly-approved capital appropriations by paper companies rose substantially during the last four quarters, from $2.1 billion (annual rate) in the first quarter of 1986 to $7.1 billion in the initial quarter of 1987. The Conference Board also reported that backlogs of paper industry capital appropriations totaled $5.04 billion at the end of March 1987, up from $4.4 billion at the end of 1986. Based on the recent strength in both appropriations and backlogs, the Conference Board is projecting a 9% increase in paper industry capital expenditures for 1987. (See table, page 10)

Paper industry companies also plan to spend some $912 million on research and development, according to a recent report by Data Resources, Inc., a subsidiary of McGraw-Hill. This represents a 64% increase from the 1985 total reported by DRI. Research and development expenditures represent somewhat over 1% of total industry sales and have grown, on average, by 10% a year during the last decade.